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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

DIVISION OF TRADING AND MARKETS
APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response: 12.00

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 44695

**FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2011 AND ENDING 12/31/2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Invex, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
601 Brickell Key Drive, Suite 400

Miami Florida 33131
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Gerardo Reyes Retana 786-4251717
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Grant Thornton LLP

1301 International Parkway, Suite 300, Fort Lauderdale, Florida 33323
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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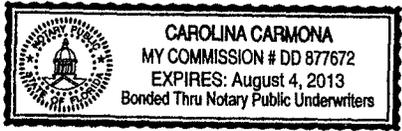
Consolidated Financial Statements and Report of
Independent Registered Public Accounting Firm

INVEX, Inc. and Subsidiary

December 31, 2011 and 2010

OATH OR AFFIRMATION

I, Gerardo Reyes Retana, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Invex, Inc. as of December 31, 2011, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Gerardo Reyes Retana
Signature
President
Title

Carolina Carmona
Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders ' Equity or Partners' or Sole Proprietors ' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims to Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain positions of this filing, see section 240.17a-5(e)(3)

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Report of Independent Registered Public Accounting Firm

Board of Directors
INVEX, Inc.

We have audited the accompanying consolidated statements of financial condition of INVEX, Inc. and Subsidiary (the "Company") as of December 31, 2011 and 2010 and the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of INVEX, Inc. and Subsidiary as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such supplementary information is the responsibility of the Company's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

Miami, Florida
February 29, 2012

INVEX, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

December 31,

ASSETS

	2011	2010
Cash and cash equivalents	\$ 170,462	\$ 9,306,070
Deposits with clearing broker	188,166	188,137
Securities purchased under agreements to resell	37,902,870	59,678,919
Securities owned - at fair value	7,743,210	9,148,406
Securities owned – equity-method	3,091,458	-
Receivables from clearing broker	7,215,918	103,444
Deferred tax asset	576,209	353,411
Interest and accounts receivable	384,281	143,003
Furniture and equipment - net of accumulated depreciation of \$342,940 in 2011 and \$307,470 in 2010	143,555	85,024
Prepaid and other assets	526,914	974,572
Total assets	\$ 57,943,043	\$ 79,980,986

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities:		
Payables to customers	\$ 37,901,628	\$ 59,677,900
Securities sold, not yet purchased - at market value	-	26,730
Other liabilities	660,748	511,005
Total liabilities	38,562,376	60,215,635
Commitments (Note I)	-	-
Shareholder's equity:		
Common stock, \$1 par value - 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	9,999,000	9,999,000
Retained earnings	9,380,667	9,765,351
Total shareholder's equity	19,380,667	19,765,351
Total liabilities and shareholder's equity	\$ 57,943,043	\$ 79,980,986

The accompanying notes are an integral part of these financial statements.

INVEX, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31,

	<u>2011</u>	<u>2010</u>
Revenues:		
Commissions	\$ 4,692,988	\$ 4,978,279
Interest and dividend income	566,747	406,159
Trading income, net	<u>174,360</u>	<u>552,646</u>
Total revenues	5,434,095	5,937,084
Expenses:		
Employee compensation and benefits	2,293,922	2,291,829
Subscriptions, dues, and clearing fees	784,207	731,387
Communications	173,018	152,119
Professional fees	878,736	794,383
General and administrative	262,033	242,845
Interest expense	445,856	333,437
Occupancy and equipment rental	<u>272,786</u>	<u>252,298</u>
Total expenses	<u>5,110,558</u>	<u>4,798,298</u>
Net income from brokerage operation	323,537	1,138,786
Equitable share of loss from unconsolidated investee	<u>(908,542)</u>	<u>-</u>
(Loss) income before provision for income taxes	(585,005)	1,138,786
Income tax benefit (expense)	<u>200,321</u>	<u>(442,447)</u>
Net (loss) income	<u>\$ (384,684)</u>	<u>\$ 696,339</u>

The accompanying notes are an integral part of these financial statements.

INVEX, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY

For the Years Ended December 31, 2011 and 2010

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance - December 31, 2009	\$ 1,000	\$ 9,999,000	\$ 9,069,012	\$ 19,069,012
Net income	-	-	<u>696,339</u>	<u>696,339</u>
Balance - December 31, 2010	1,000	9,999,000	9,765,351	19,765,351
Net loss	-	-	<u>(384,684)</u>	<u>(384,684)</u>
Balance - December 31, 2011	<u>\$ 1,000</u>	<u>\$ 9,999,000</u>	<u>\$ 9,380,667</u>	<u>\$ 19,380,667</u>

The accompanying notes are an integral part of this financial statement.

INVEX, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

	2011	2010
Cash flows from operating activities:		
Net (loss) income	\$ (384,684)	\$ 696,339
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation	40,483	50,553
Equitable share of loss from unconsolidated investee	908,542	-
Deferred income tax (benefit) expense	(222,798)	207,849
Decrease (increase) in assets:		
Restricted cash	-	56,365
Deposits with clearing broker	(29)	(209)
Securities purchased under agreements to resell	21,776,049	(720,648)
Securities owned-at fair value	1,405,197	(7,544,006)
Receivables from clearing broker	(7,112,474)	146,137
Interest and accounts receivable	(241,278)	(108,161)
Prepaid and other assets	447,658	(357,161)
Increase (decrease) in liabilities:		
Payables to customers	(21,776,272)	720,640
Securities sold, not yet purchased	(26,730)	(20,070)
Other liabilities	149,743	87,092
Net cash used in operating activities	(5,036,593)	(6,785,280)
Cash flows from investing activities:		
Purchase of equity method investment	(4,000,000)	-
Purchases of furniture and equipment	(99,015)	(55,735)
Net cash used in investing activities	(4,099,015)	(55,735)
Net decrease in cash and cash equivalents	(9,135,608)	(6,841,015)
Cash and cash equivalents - beginning of year	9,306,070	16,147,085
Cash and cash equivalents - end of year	\$ 170,462	\$ 9,306,070
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 454,328	\$ 333,437
Income taxes	\$ 20,624	\$ 120,000

The accompanying notes are an integral part of these financial statements.

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE A - ORGANIZATION

INVEX, Inc. ("INVEX"), a Delaware corporation, was incorporated on January 30, 1992, and received its broker/dealer registration from the Securities and Exchange Commission (the "SEC") on March 24, 1992. INVEX is wholly owned by INVEX, Casa de Bolsa, S.A. de C.V. (the "Parent") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Parent's business activities include broker/dealer activities, underwriting, and proprietary trading in Mexican securities. The Parent is a member of the Mexican-based financial group, INVEX, Controladora, S.A. de C.V. (the "Group").

INVEX is a FINRA-registered securities broker/dealer offering brokerage services to the clientele of the Parent as well as executing proprietary trading for the firm. The majority of INVEX's and its wholly owned "non guaranteed" subsidiary, INVEX USA's (collectively, the "Company") revenue relates to commissions attributable to customer transactions.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Company and its wholly owned subsidiary, after the elimination of all intercompany balances and transactions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit at banks and depository institutions. The Company considers all highly liquid investments (including money market funds) with original maturities of three months or less, that are not held for sale in the ordinary course of business, to be cash equivalents. At times, such balances may exceed federally-insured limits of \$250,000 per financial institution.

(continued)

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

Securities Transactions

Securities transactions, commission income and related expenses are recorded on a trade-date basis. Securities owned and securities sold but not yet purchased are stated at quoted market values with unrealized gains and losses reflected in trading income or loss—net on the accompanying consolidated statement of operations. Commissions revenue consists primarily of markups on bonds sold to customers.

Securities purchased under agreements to resell are collateralized financing transactions. As of December 31, 2011 and 2010, the securities purchased under agreements to resell have been pledged as collateral for the payables to customers and represent overnight and other short-term transactions.

Securities-owned inventory is carried at fair value, which is estimated based on quoted market prices for those or similar instruments (see Note C). Changes in fair value of securities owned are recorded in the consolidated statements of operations as trading income or loss.

Receivables from Clearing Brokers

Receivables from clearing broker represent cash held on account available for future trades.

Furniture and Equipment

Furniture and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets which range from three to five years.

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE C - SECURITIES OWNED

Securities Owned - At Fair Value

The components of securities owned - at fair value inventory at December 31, 2011 and 2010 are as follows:

	<u>2011</u>	
	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
Domestic - U.S. corporate equity securities	\$ 84,700	\$ -
Foreign - debt instruments	<u>7,658,510</u>	<u>-</u>
	<u>\$ 7,743,210</u>	<u>\$ -</u>
	 <u>2010</u>	
	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
Domestic - U.S. corporate equity securities	\$ 99,200	\$ -
Domestic - U.S. debt securities	1,014,500	-
Domestic - Future position on Treasury Bond	13,438	-
Domestic - Future position on small cap equity index	-	26,730
Foreign - debt instruments	<u>8,021,268</u>	<u>-</u>
	<u>\$ 9,148,406</u>	<u>\$ 26,730</u>

Securities Owned - Equity Method

On April 25, 2011, the Company acquired for \$4.0 million, an approximate 14.0% ownership interest in Bulltick Capital Market Holdings, LP ("Bulltick"), a broker-dealer partnership. The Company follows the equity method of accounting, as it has the ability to exercise significant influence, but not control, over operating and financial policies of Bulltick. As of the date of purchase, the basis difference between the carrying amount of the investment and the amount of the equity in net assets was approximately \$4,000,000 of which \$2,000,000 was deemed to be associated with amortizable intangible assets based on a preliminary purchase price allocation. The Company has recognized its share of losses for the period of \$908,542 in the consolidated statements of operations in equitable share of loss from unconsolidated investee. Such amount includes the recognition of operating losses of \$775,209 plus \$133,333 of amortization of basis difference that existed at acquisition attributable to amortizable intangible assets. As at December 31, 2011, the Company held an approximate ownership interest of 12.6% in Bulltick. As of and for the year ended December 31, 2011, Bulltick's total assets, total liabilities, total revenue and net loss were \$14,856,381, \$14,157,963, \$32,408,023 and \$5,524,476, respectively.

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE D - RECONCILIATION OF ASSETS, LIABILITIES AND SHAREHOLDER'S EQUITY

A reconciliation of the amounts reported in the Company's consolidated financial statements herein to amounts reported by the Company on its unconsolidated Part IIA of Form X-17A-5, filed with the SEC for the year ended December 31, 2011, is as follows:

	Part IIA of Form X-17A-5	Reclassifications	Consolidation of Subsidiaries	Financial Statements
Assets:				
Cash and cash equivalents	\$ 91,403	\$ 79,059	\$ -	\$ 170,462
Deposits with clearing broker	-	188,166	-	188,166
Securities purchased under agreements to resell	-	-	37,902,870	37,902,870
Securities owned - at fair value	6,689,461	24	1,053,725	7,743,210
Securities not readily marketable	3,091,460	(2)	-	3,091,458
Receivables from other brokers and dealers	7,903,991	(7,903,991)	-	-
Receivables from clearing broker	-	6,582,790	633,128	7,215,918
Receivables from non-customers	-	-	-	-
Deferred tax asset	-	576,209	-	576,209
Interest and accounts receivable	-	359,288	24,993	384,281
Furniture and equipment, net of accumulated depreciation	143,556	(1)	-	143,555
Investment in subsidiary	1,713,117	(29)	(1,713,088)	-
Prepaid and other assets	415,263	111,651	-	526,914
Total	\$ 20,048,251	\$ (6,836)	\$ 37,901,628	\$ 57,943,043
Liabilities:				
Payables to customers	\$ -	\$ -	\$ 37,901,628	\$ 37,901,628
Payables to brokers or dealers	-	-	-	-
Securities sold, not yet purchased at market value	-	-	-	-
Other liabilities	667,555	(6,807)	-	660,748
Total liabilities	667,555	(6,807)	37,901,628	38,562,376
Shareholder's equity	19,380,696	(29)	-	19,380,667
Total	\$ 20,048,251	\$ (6,836)	\$ 37,901,628	\$ 57,943,043

NOTE E - INCOME TAXES

The Company uses an asset and liability approach for financial accounting and reporting for income taxes. This method gives consideration to the future tax consequences associated with carryforwards and with temporary differences between financial accounting and tax bases of assets and liabilities. These differences relate primarily to depreciation and loss carryforwards.

(continued)

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE E - INCOME TAXES - Continued

The Company has no significant permanent differences between the reported amount of income tax expense and the amount of income tax expense that would result from applying the federal statutory rates to pretax income from continuing operations. The difference between the statutory rate of 34% and the effective rate in 2011 is primarily due to state income taxes. The difference between the statutory rate of 34% and the effective rate in 2010 is also primarily due to state income taxes.

The summary of the Company's provision for income taxes for the years ended December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Federal	\$ 19,857	\$ 214,062
State	<u>2,620</u>	<u>20,536</u>
Current tax expense	22,477	234,598
Deferred tax (benefit) expense	<u>(222,798)</u>	<u>207,849</u>
Income tax (benefit) expense	<u>\$ (200,321)</u>	<u>\$ 442,447</u>

The summary of the tax effects of attributes that give rise to deferred tax assets and liabilities as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Deferred taxes:		
Capital loss carryforward and unrealized losses	\$ 607,517	\$ 360,028
Depreciation	<u>(31,308)</u>	<u>(6,617)</u>
Net deferred tax asset	<u>\$ 576,209</u>	<u>\$ 353,411</u>

The Company has a capital loss carryforward of approximately \$676,000 and \$821,000 as of December 31, 2011 and 2010, respectively, which can be used to offset future capital gains. Approximately \$375,000 of the total capital loss carryforward expires in 2013 and the remaining \$301,000 of the capital loss carryforward expires in 2015. Management believes that, based on the available evidence, a valuation allowance is not necessary because it does not expect that any of the capital loss carryforward will expire unused. Management has determined it is more likely than not that the benefit related to the \$576,209 of net deferred tax assets will be realized.

(continued)

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE E - INCOME TAXES - Continued

Accounting for Uncertainty in Income Taxes, became effective for fiscal years of non-public entities beginning on or after December 15, 2008. INVEX, Inc. adopted Accounting for Uncertainty in Income Taxes on January 1, 2009. The open years applicable to INVEX, Inc. include tax years 2008 through 2011 for Federal tax purposes, 2008 through 2009 for Texas tax purposes and 2008 through 2011 for Florida tax purposes. Accounting for Uncertainty in Income Taxes clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with Accounting for Income Taxes. Accounting for Uncertainty in Income Taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The evaluation of a tax position in accordance with Accounting for Uncertainty in Income Taxes involves both recognition and measurement. The Company must determine whether it is more likely than not that a tax position will be ultimately sustained upon examination, including resolution of any appeals or litigation, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statement. As defined in Accounting for Uncertainty in Income Taxes, a tax position is a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods.

The Company has determined that no liability for uncertain tax positions was necessary as of December 31, 2011 and 2010.

NOTE F - TRANSACTION WITH CLEARING BROKERS

The Company clears its U.S. securities transactions and customers' transactions on a fully disclosed basis through nonaffiliated clearing brokers.

NOTE G - NET CAPITAL REQUIREMENT

The Company is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1"). The Company has elected to compute minimum net capital under the Alternative Net Capital method under Rule 15c3-1(f), which requires maintenance of minimum net capital of the greater of 2% of aggregate debit items or \$250,000 at December 31, 2011. At December 31, 2011, the Company had net capital as defined by Rule 15c3-1(f) of \$11,863,942, which was \$11,613,942 in excess of the required minimum net capital.

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE H - RESERVE REQUIREMENTS AND INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS FOR BROKERS AND DEALERS

The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph (k)(2)(ii) of such rule) of the Securities Exchange Act of 1934 as an introducing broker or dealer that carries no customers' accounts, promptly transmits all customer funds and delivers all customer securities received to the clearing broker and does not otherwise hold funds or securities of customers or dealers. Because of such exemption, the Company is not required to prepare a determination of reserve requirement and the Company is not subject to the provisions of Rule 15c3-3 pertaining to the possession or control requirements for broker dealers.

NOTE I - COMMITMENTS

The Company leases office space under an operating lease in Miami, Florida. The office lease provides for minimum annual rentals, which are subject to escalation clauses for operating costs and taxes. The future minimum lease payments for the Company are as follows:

2012	\$	176,210
2013		217,572
2014		224,092
2015		230,844
2016		237,784
Thereafter		<u>286,738</u>
	\$	<u>1,373,240</u>

In addition, the Company leases computer systems under operating lease agreements that automatically renew every two years. The total lease expense for the related equipment amounted to approximately \$99,500 and \$61,500 for each of the years ended December 31, 2011 and 2010, respectively.

Rent expense for the office space in Miami, Florida amounted to approximately \$204,000 and \$181,000, for the years ended December 31, 2011 and 2010, respectively.

NOTE J - OFF-BALANCE-SHEET RISK AND CONCENTRATION OF CREDIT RISK

In the normal course of business, the Company's securities transactions involve executions and settlements of various securities transactions as principal. These activities may expose the Company to risk in the event that counterparties are unable to fulfill contractual obligations.

The Company has agreed to indemnify its clearing broker for losses that the clearing broker may sustain from the customer accounts introduced by the Company. The introduced customers are generally institutional or high-net-worth retail customers.

(continued)

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE J - OFF-BALANCE-SHEET RISK AND CONCENTRATION OF CREDIT RISK - Continued

The Company's policy is to take possession of securities purchased under agreements to resell. The Company monitors the market value of the assets acquired to ensure their adequacy as compared to the amount at which the securities will be subsequently resold, as specified in the respective agreements. The agreements provide that, where appropriate, the Company may require the delivery of additional collateral.

NOTE K - RELATED-PARTY TRANSACTIONS

The Company was charged an annual fee totaling approximately \$102,000 and \$112,000 by the Parent during 2011 and 2010, respectively, for use of the name "INVEX." During 2011, the Company also was charged a fee by the Parent of approximately \$21,000 for software licenses. These fees are included as a component of professional fees in the accompanying consolidated statements of operations. As of December 31, 2011 and 2010, the Company accrued approximately \$102,000 and \$112,000, respectively, for amounts due to the Parent. Such amounts are included in other liabilities in the consolidated statements of financial condition.

The Company has approximately \$9,600 and \$13,000 of receivables at December 31, 2011 and 2010, respectively, from employees related to personal expenses. The Company also has a note receivable in the amount of \$80,000 due from an employee as of December 31, 2011. The note is unsecured, was issued on April 15, 2011 and matures on or before April 15, 2012. The interest on the note accrues at 2% per annum, payable at maturity. Such amounts are included in interest and accounts receivable in the accompanying consolidated statements of financial condition.

The Company paid a consulting fee totaling \$70,000 and \$100,000 to a board member of INVEX, Inc. during 2011 and 2010, respectively, for developing client relationships in Mexico. These fees are included as a component of professional fees in the consolidated statements of operations.

NOTE L - EMPLOYEE RETIREMENT SAVINGS PLAN

The Company participates in a Salary Reduction Simplified Employee Pension Plan (the "Plan") for its employees. An employee is eligible to participate in the Plan after three months of employment with the Company. Employees can contribute from 1% to 15% of their bi-weekly pay into the Plan up to a maximum of the lesser of 25% of the participant's compensation (subject to Internal Revenue Code limits) or \$16,500 in both 2011 and 2010. The Company matches up to 100% of the first 3% of a participating employee's contribution to the Plan. During the years ended December 31, 2011 and 2010, the Company contributed approximately \$33,000 and \$39,000, respectively, to the Plan.

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE M - ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various approaches. The Company uses an established fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

(continued)

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE M - ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

- Equities - The Company values investments in securities and securities sold, but not yet purchased that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year.
- Corporate bonds - The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads. The spread data used are for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond, or single-name credit default swap spreads and recovery rates based on collateral values as key inputs. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the hierarchy.
- Resale and Repurchase Agreements - Securities purchased under agreements to resell and securities sold under agreements to repurchase, principally U.S. government, federal agency and investment-grade sovereign obligations, represent collateralized financing transactions, which are valued at their face amount due to the short-term nature and underlying credit quality of those instruments. The Company receives securities purchased under agreements to resell, makes delivery of securities sold under agreements to repurchase, and monitors market value of these securities on a daily basis.
- Credit default swaps - Management has identified two ways to evaluate the fair value of credit default swaps. One is to evaluate the rate or premium the company must pay to buy the credit protection offered by a credit default swap. The second is to evaluate the difference in the spread of the credit protection affected by the movement of the underlying index. The Company evaluates the difference between the nominal coupon of the credit default swap and the spread originally negotiated with the counterparty.

(continued)

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE M - ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value as of December 31, 2011:

Financial Assets and Liabilities at Fair Value				
As of December 31, 2011				
<i>(Dollars in Thousands)</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
Financial instruments owned:				
Equities	\$ 84	\$ -	\$ -	\$ 84
Treasury Bond Commodity	-	-	-	-
Derivatives (credit default swaps)	-	112	-	112
Corporate debt	-	7,659	-	7,659
Totals	<u>\$ 84</u>	<u>\$ 7,771</u>	<u>\$ -</u>	<u>\$ 7,855</u>
LIABILITIES				
Financial instruments sold, not yet purchased:				
Small cap equity index future	\$ -	\$ -	\$ -	\$ -
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value as of December 31, 2010:

Financial Assets and Liabilities at Fair Value				
As of December 31, 2010				
<i>(Dollars in Thousands)</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
Financial instruments owned:				
Equities	\$ 99	\$ -	\$ -	\$ 99
Treasury Bond Commodity	-	13	-	13
Derivatives (credit default swaps)	-	547	-	547
Corporate debt	-	9,036	-	9,036
Totals	<u>\$ 99</u>	<u>\$ 9,596</u>	<u>\$ -</u>	<u>\$ 9,695</u>
LIABILITIES				
Financial instruments sold, not yet purchased:				
Small cap equity index future	\$ -	\$ 27	\$ -	\$ 27
Totals	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>

INVEX, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE N - FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Some of the Company's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include: cash and cash equivalents, cash deposited with the clearing broker, receivables - brokers, dealers, and clearing organization, securities purchased under agreements to resell, and payables - customers.

**NOTE O - DERIVATIVE FINANCIAL INSTRUMENTS USED FOR PURPOSES
OTHER THAN TRADING**

As of December 31, 2011, the Company had outstanding Credit Default Swap Agreements (the "Agreements") with an investment banking firm with a notional amount of \$5,000,000. The Agreements were entered into in order to economically hedge the credit risk associated with the Company's foreign and domestic debt securities. The Company pays an interest based fee to the investment banking firm in return for this guarantee. The Agreements are recorded at fair value, and changes in fair value together with the interest based fee are recognized as interest expense in the consolidated statements of operations. The fair value of the Agreements amounted to \$111,950 and \$546,850 as of December 31, 2011 and 2010, respectively. These amounts are included in prepaid and other assets in the consolidated statements of financial condition.

The Company does not apply hedge accounting as defined in FASB ASC 815, Derivatives and Hedging, as all financial instruments are recorded at fair value with changes in fair values reflected in earnings. Therefore, certain of the disclosures required under FASB ASC 815 are generally not applicable with respect to these financial instruments.

NOTE P - NOTES ON SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 29, 2012, which is the date these consolidated financial statements were available to be issued. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

INVEX, Inc. and Subsidiary

**UNCONSOLIDATED COMPUTATION OF NET CAPITAL
FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-1
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2011

Net capital:		
Total shareholder's equity from statements of financial condition		\$ 19,380,667
Deductions/Charges:		
Nonallowable assets:		
Deferred tax asset	\$ 576,209	
Receivables	143,859	
Investments in and receivables from subsidiary	1,713,117	
Furniture and equipment, net	143,556	
Investment in non-marketable securities	3,091,460	
Other assets	<u>415,264</u>	
Total nonallowable assets		<u>6,083,465</u>
Net capital before haircuts on securities positions (tentative net capital)		13,297,202
Deduct:		
Haircuts on securities:		
Contractual securities commitments	243,750	
Other Securities	12,705	
Undue Concentration	186,091	
Debt securities	<u>990,714</u>	
Total haircuts on securities		<u>1,433,260</u>
Net capital		<u>\$ 11,863,942</u>
Capital requirement:		
Greater of 2% of aggregate debit items as shown in formula for reserve requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation (\$0) or \$250,000		\$ 250,000
Net capital in excess of requirement		<u>11,613,942</u>
Net capital as above		<u>\$ 11,863,942</u>

There are no material differences between the net capital amount above and the amount reported on the Company's unaudited FOCUS report.

Report on Internal Control Required by SEC Rule 17a-5(g)(1)

Board of Directors
INVEX, Inc.

In planning and performing our audit of the consolidated financial statements of INVEX, Inc. and Subsidiary (the "Company"), as of and for the year ended December 31, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate debits and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemption provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13, complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Company's financial reporting.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, Inc. (formerly the National Association of Securities Dealers, Inc.) and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Miami, Florida
February 29, 2012



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Report of Independent Registered Public Accounting
Firm on Applying Agreed-Upon Procedures Related
to an Entity's SIPC Assessment Reconciliation

INVEX, Inc.

December 31, 2011



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Report of Independent Registered Public Accounting Firm

Board of Directors of INVEX, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by INVEX, Inc. (the "Company") and the U.S. Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective general ledger records entries and cancelled checks noting no differences.
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011 noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Miami, Florida
February 29, 2012



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